

COHEN & GRIGSBY, P.C.

ATTORNEYS AT LAW

11 STANWIX STREET
15TH FLOOR
PITTSBURGH, PENNSYLVANIA 15222-1319

TELEPHONE (412) 297-4900
FAX (412) 209-0672

Direct Dial: (412) 297-4831
E-mail: jchiafullo@cohenlaw.com

RECORDATION NO. **23086-C**

AUG 09 '01 8-02 PM

SURFACE TRANSPORTATION BOARD

Direct Fax: (412) 209-1825
Admitted in Pennsylvania and Texas

June 25, 2001

Ms. Taledia Stokes
Office of the Secretary
Surface Transportation Board
Section of Publication and Records
The Mercury Building, Room 700
1925 K Street, NW
Washington, DC 20423

Re: Sky Bank
Kasgro Rail Corp./Kasgro Leasing, LLC
Second Amendment to Security Agreement



Dear Ms. Stokes:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The primary document to which this is connected is recorded under Recordation No. 23086.

The names and addresses of the parties to the document are as follows:

Debtor: Kasgro Rail Corp
Kasgro Leasing, LLC
320 East Cherry Street
New Castle, PA 16102

Lender: Sky Bank
101 East Washington Street
New Castle, PA 16103

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A description of the equipment covered by the document follows:

Car Number	Description
370398	48' 370 T 12 Axle Flat Car
370399	48' 370 T 12 Axle Flat Car
370379	48' 370 T 12 Axle Flat Car
370378	48' 370 T 12 Axle Flat Car
300302	30' 300 T 12 Axle FD Flat Car
300303	30' 300 T 12 Axle FD Flat Car
300304	30' 300 T 12 Axle FD Flat Car
27104	27' 235 T8 Axle FD Flat Car
25200	25' 210 T8 Axle FD Flat Car
25201	25' 210 T8 Axle FD Flat Car
25979	25' 122 T 8 Axle FD Flat Car
25980	25' 122 T 8 Axle FD Flat Car
25981	25' 122 T 8 Axle FD Flat Car
25982	25' 122 T 8 Axle FD Flat Car
25983	25' 122 T 8 Axle FD Flat Car
25984	25' 122 T 8 Axle FD Flat Car
70907	70' 230 T 8 Axle Flat Car
70906	70' 230 T 8 Axle Flat Car
70905	70' 230 T 8 Axle Flat Car
70904	70' 230 T 8 Axle Flat Car
70903	70' 230 T 8 Axle Flat Car
70902	70' 230 T 8 Axle Flat Car
70901	70' 230 T 8 Axle Flat Car
70900	70' 230 T 8 Axle Flat Car
70899	70' 230 T 8 Axle Flat Car
70898	70' 230 T 8 Axle Flat Car
70897	70' 230 T 8 Axle Flat Car
70896	70' 230 T 8 Axle Flat Car
70895	70' 230 T 8 Axle Flat Car
70894	70' 230 T 8 Axle Flat Car
70893	70' 230 T 8 Axle Flat Car
70892	70' 230 T 8 Axle Flat Car
70891	70' 230 T 8 Axle Flat Car
70890	70' 230 T 8 Axle Flat Car
70889	70' 230 T 8 Axle Flat Car
70888	70' 230 T 8 Axle Flat Car

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89117	88' 122 T 4 Axle Flat Car
89118	88' 122 T 4 Axle Flat Car
5001	50 cu. Yd. 100 Ton Side Dump
5002	50 cu. Yd. 100 Ton Side Dump
701210	70' 115 T 4 Axle Flat Car
701211	70' 115 T 4 Axle Flat Car
701212	70' 115 T 4 Axle Flat Car
701213	70' 115 T 4 Axle Flat Car
701214	70' 115 T 4 Axle Flat Car
701215	70' 115 T 4 Axle Flat Car
701216	70' 115 T 4 Axle Flat Car
10102	Gondola, 52'L, 15' H, 184,000#
10103	Gondola, 52'L, 15' H, 184,000#
10104	Gondola, 52'L, 15' H, 184,000#
10105	Gondola, 52'L, 15' H, 184,000#
10106	Gondola, 52'L, 15' H, 184,000#
10107	Gondola, 52'L, 15' H, 184,000#
10108	Gondola, 52'L, 15' H, 184,000#
10109	Gondola, 52'L, 15' H, 184,000#
10110	Gondola, 52'L, 15' H, 184,000#
10111	Gondola, 52'L, 15' H, 184,000#
10112	Gondola, 52'L, 15' H, 184,000#
10113	Gondola, 52'L, 15' H, 184,000#
10114	Gondola, 52'L, 15' H, 184,000#
10115	Gondola, 52'L, 15' H, 184,000#
10116	Gondola, 52'L, 15' H, 184,000#
10117	Gondola, 52'L, 15' H, 184,000#
10118	Gondola, 52'L, 15' H, 184,000#
10119	Gondola, 52'L, 15' H, 184,000#
900002	FD 25', 8 Axle, 475,000#
900003	FD 25', 8 Axle, 475,000#
900004	FD 25', 8 Axle, 475,000#
900012	FD 25', 8 Axle, 475,000#
900014	FD 25', 8 Axle, 475,000#
900016	FD 25', 8 Axle, 475,000#
900021	FM 44', 4" 8 Axle, 515,000#
900022	FM 44', 4" 8 Axle, 515,000#
900023	FM 44', 4" 8 Axle, 515,000#

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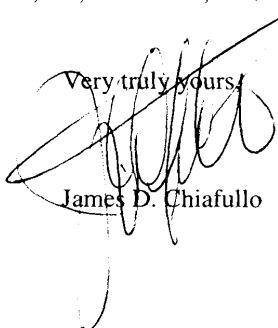
A fee of twenty-six dollars (\$26) is enclosed. Please return the original and any extra copies not needed by the Board for recordation to:

James D. Chiafullo, Esquire
Cohen & Grigsby, P.C.
11 Stanwix Street, 15th Floor
Pittsburgh, PA 15222-1319

A short summary of the document to appear in the index follows:

A Second Amendment to Security Agreement between Kasgro Rail Corp., Kasgro Leasing, LLC, (320 East Cherry Street, New Castle, Pennsylvania 16102) and Sky Bank (101 East Washington Street, New Castle, Pennsylvania 16103) dated May 3, 2001, and covering seventy-four railcars, four of which are 48' 370 T12, three 30' 300 T12, one 27' 235 T8, two 25' 210 T8, six 25' 122 T8, twenty 70' 230 T8, two 88' 122 T4, two 50 cu. Yd. 100 Ton Side Dump, seven 70' 115 T4, eighteen Gondola 52'L, 15'H, 184,000, six FD 25', 8 Axle, 475,000, and three FM 44', 4" 8 Axle, 515,000.

Very truly yours,

A handwritten signature in black ink, appearing to read 'James D. Chiafullo', is written over the typed name. The signature is stylized with loops and a long horizontal stroke.

James D. Chiafullo

JDC/av
Enclosure
516191_1

SECOND AMENDMENT TO SECURITY AGREEMENT

RECORDATION NUMBER OF ORIGINAL: 23086

This Second Amendment to Security Agreement is made this 3rd day of May, 2001, by and among Kasgro Rail Corp., a Pennsylvania corporation, and Kasgro Leasing LLC, a Pennsylvania limited liability company, with its principal offices located at 320 East Cherry Street, New Castle, Pennsylvania 16402 ("Borrowers"); and Sky Bank, an Ohio banking association, with an office located at 101 East Washington Street, New Castle, Pennsylvania 16103 ("Bank").

RECITALS

A. The parties hereto entered into a Security Agreement dated June 22, 2000 (the "Security Agreement"), whereby Borrowers granted to Bank a security interest to certain rolling stock (the "Property").

B. The recordation number of the Security Agreement with the United States Surface Transportation Board is 23086, September 7, 2000.

C. The parties now desire to amend certain provisions of the Security Agreement.

In consideration of the covenants and agreements set forth herein and for One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree to amend the Security Agreement as follows:

1. Exhibit A of the Security Agreement is hereby amended to add the following rolling stock to the Exhibit:

RECORDATION NO. 23086-C FILED
AUG 09 '01 3:02 PM
SURFACE TRANSPORTATION BOARD

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70899	70' 230 T 8 Axle Flat Car
70898	70' 230 T 8 Axle Flat Car
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70896	70' 230 T 8 Axle Flat Car
70895	70' 230 T 8 Axle Flat Car
70894	70' 230 T 8 Axle Flat Car
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5002	50 cu. Yd. 100 Ton Side Dump
701210	70' 115 T 4 Axle Flat Car

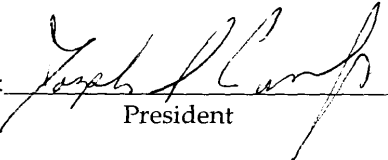
701211	70' 115 T 4 Axle Flat Car
701212	70' 115 T 4 Axle Flat Car
701213	70' 115 T 4 Axle Flat Car
701214	70' 115 T 4 Axle Flat Car
701215	70' 115 T 4 Axle Flat Car
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10106	Gondola, 52'L, 15' H, 184,000#
10107	Gondola, 52'L, 15' H, 184,000#
10108	Gondola, 52'L, 15' H, 184,000#
10109	Gondola, 52'L, 15' H, 184,000#
10110	Gondola, 52'L, 15' H, 184,000#
10111	Gondola, 52'L, 15' H, 184,000#
10112	Gondola, 52'L, 15' H, 184,000#
10113	Gondola, 52'L, 15' H, 184,000#
10114	Gondola, 52'L, 15' H, 184,000#
10115	Gondola, 52'L, 15' H, 184,000#
10116	Gondola, 52'L, 15' H, 184,000#
10117	Gondola, 52'L, 15' H, 184,000#
10118	Gondola, 52'L, 15' H, 184,000#
10119	Gondola, 52'L, 15' H, 184,000#
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900021	FM 44', 4" 8 Axle, 515,000#
900022	FM 44', 4" 8 Axle, 515,000#
900023	FM 44', 4" 8 Axle, 515,000#

All of the other terms and conditions of the Security Agreement shall remain the same and shall continue in full force and effect.

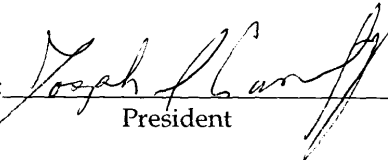
IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Security Agreement the day and year first above written.

BORROWERS:

KASGRO RAIL CORP.

By: 
President

KASGRO LEASING LLC

By: 
President

BANK:

SKY BANK

By:  SRP

ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF LAWRENCE)

On this 3rd day of May, 2001, before me personally appeared ~~Gabriel Kaszab~~ ^{Tamara S. Conway}, to me personally known, who being by me duly sworn, says that he is the Chief Executive Officer and President of Kasgro Rail Corp. and Kasgro Leasing, LLC, that said instrument was signed and sealed on behalf of said entities by authority of its Board of Directors or Members (as the case may be) and he acknowledged that the execution of the foregoing instrument was the free act and deed of said entities.

(SEAL)

Jean M. Phillips
Signature of Notary Public

My Commission Expires:

